

69866 1

San Francisco File No. 62-2812

One of the persons present said that they had gone to see [redacted] (phonetic) about a yellow ticket for the construction which was not issued to them. However, they did not deviate from the plan which they gave to [redacted] and on the basis of that plan, [redacted] gave them the go-ahead. b7c

It was pointed out that it was only necessary to prove at the hearing that afternoon that this structure was one building started before the stop order of the CPA went into effect. The CPA had given them a letter on which they relied and had informed them that it was not necessary that they have a yellow ticket, and that they, the CPA, were not empowered to give them one. According to one of the men, possibly [redacted] the only respect in which they failed to comply completely with the letter of the CPA regulations was in that they did not file a plot plan before March 27. b7c

About 1:00 P.M. all the men in Room 310 left with the avowed purpose of going to the hearing.

Later in the afternoon some people entered Room 310, and [redacted] commenced making plans to leave on the 6:30 P.M. plane for Los Angeles. He said that [redacted] wanted the plans. b7c b7D

[redacted] decision had been in their favor, and they received permission to go ahead with the work. He told [redacted] that SIEGEL was going to Las Vegas in the morning. b7c b7D

Shortly thereafter SIEGEL called long distance to Las Vegas and informed the person to whom he spoke that everything was all right, and that he would be there in the morning. He instructed the person to whom he spoke to bust somebody's head. b7c b7D

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[REDACTED] b7c b7D

[REDACTED] in what appeared to be an academic discussion, expressed the opinion that a person couldn't perjure himself if he were not put under oath. [REDACTED] assured [REDACTED] that that was not so. Statements made at the hearing were subject to perjury charges even though the witnesses had not been put under oath. [REDACTED] reminded [REDACTED] that the commissioner had admonished them that statements made at the hearing by witnesses were subject to the provisions of some code section (which [REDACTED] named). This meant, said [REDACTED] that one could commit perjury at the hearing. b7c

The persons in Room 310 speculated as to where [REDACTED] might be, and it was thought that he was drunk. b7c

About 5:00 P.M. they all left Room 310.

The following information was furnished to Special Agent [REDACTED] on August 13, 1946: b2 b7c b7D

On the morning of that date subject telephonically communicated with an unknown woman advising her that one [REDACTED] (phonetic) was there attempting to do something, but up to the present time had been unsuccessful. SIEGEL advised this woman that he could always be reached at Room 307 at the St. Francis Hotel, San Francisco. b7c

Shortly after the conversation was completed, an unknown man entered SIEGEL's room. SIEGEL inquired whether or not he had obtained reservations for that evening. During the course of the conversation, subject made the remark that it was O.K. concerning the OPA, but he should not fool around with the Federal Government. The unknown man was referred to by SIEGEL as [REDACTED] and associates in connection with the Flamingo Hotel. SIEGEL also mentioned that an investigation regarding the building had been made prior to the authorization of the construction. b7c

During the course of the conversation, SIEGEL volunteered to this individual whom he referred to as [REDACTED] that someone had been trying to shake him down for \$50,000, but that he had knocked the [REDACTED] out of both of them. At this time apparently another unknown individual was in the room with SIEGEL. Subsequently conversation reverted to the building which SIEGEL referred to as a building which was to be constructed in the form of a horseshoe. b7c

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During this conversation, an individual whom SIEGEL referred to as [REDACTED] entered the room. [REDACTED] A short conversation was had with [REDACTED] in which a [REDACTED] was mentioned who apparently is [REDACTED] for the Civilian Production Administration, Los Angeles. The conversation concerned some blueprints regarding the construction. It was mentioned that the plan was originally to build a lattice steel building; however, in January due to the steel situation, it was decided to make the construction concrete. It was stated that [REDACTED] could not take care of the whole job, and consequently the Del Webb Construction Company was called in. At that time the building was reportedly seventy per cent complete. The above conversation was conducted by an individual who was referred to as [REDACTED]

b7c

The conversation was thereupon taken up by an individual referred to as [REDACTED] who was attempting a full explanation of the manner in which the buildings were to be constructed and the material. From the tenor of the conversation, it appeared that [REDACTED] was indicating to the individuals present the events which would transpire at the hearing and the questions which would be asked of witnesses. About noon on the above date, all the individuals in Room 307 left.

b7c

On August 14, 1946, [REDACTED] furnished the following information to Special Agent [REDACTED]

b2b7c b7d

During the morning of that date [REDACTED] and one or two other individuals entered SIEGEL's room at the St. Francis Hotel. The general conversation concerned the hearing which was continued over from the previous day. SIEGEL expressed the hope that the hearing would end on that date in order that he might return to Las Vegas. During this conversation, an individual named [REDACTED] telephonically contacted SIEGEL. SIEGEL asked [REDACTED] if licenses had been obtained. Evidently [REDACTED] did not know whether the said license had been obtained, and SIEGEL instructed him to find out.

b7c

During the conversation regarding the building construction, SIEGEL stated that it was his desire that the Commissioner understand that the building was one single building and not two buildings. He informed that the hearing would be scheduled at 12 Noon and would undoubtedly be over by 2:30 P.M. that afternoon. Shortly thereafter [REDACTED] left SIEGEL's room.

b7c

13

69869

b2b7c b7d

$$b \propto x$$
 bx

b7c

b7c
b7c

XXXXXX
XXXXXX
XXXXXXFEDERAL BUREAU OF INVESTIGATION
FOIPA DELETED PAGE INFORMATION SHEET

1 Page(s) withheld entirely at this location in the file. One or more of the following statements, where indicated, explain this deletion.

- ☒ Deleted under exemption(s) b2 b7c b7D with no segregable material available for release to you.
- ☐ Information pertained only to a third party with no reference to you or the subject of your request.
- ☐ Information pertained only to a third party. Your name is listed in the title only.
- ☐ Documents originated with another Government agency(ies). These documents were referred to that agency(ies) for review and direct response to you.

_____ Pages contain information furnished by another Government agency(ies). You will be advised by the FBI as to the releasability of this information following our consultation with the other agency(ies).

_____ Page(s) withheld for the following reason(s):

☐ For your information: _____

- ☒ The following number is to be used for reference regarding these pages:

62-81518-132 pg 18

XXXXXX
XXXXXX
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X DELETED PAGE(S) X
X NO DUPLICATION FEE X
X FOR THIS PAGE X
XXXXXXXXXXXXXXXXXXXX

3

San Francisco File No. 62-2812

69871
b7c b2
b7D

[REDACTED]

[REDACTED]

[REDACTED]

At 6:30 P.M. August 14, 1946, subject, [REDACTED] b7c b2
[REDACTED] were seen to board Western Airlines Flight 329 for Los Angeles b7D
by Special Agents [REDACTED]
[REDACTED] and the writer.

[REDACTED]

[REDACTED]

[REDACTED]

On August 15, 1946, [REDACTED] was re- b7c b2
contacted at his home at Stanford University by Special Agent [REDACTED]
[REDACTED] and the writer. He stated that in the hearing against Del
Webb Construction Company, [REDACTED]
respondents, the following had appeared as interested parties:

[REDACTED]

SIEGEL, [REDACTED]

Advised the following individuals appeared as attorneys for the
respondents:

[REDACTED]

69872

[REDACTED]

[REDACTED] advised that during the hearing [REDACTED] exhibited a plan dated January 12, 1946 and [REDACTED] testified this was the plan followed in construction of the Flamingo Hotel. [REDACTED] stated that he noted that the plan lacked details and he on his own notion inasmuch as [REDACTED] for the CPA, did not, asked [REDACTED] if he could build a building using only these plans and to his surprise [REDACTED] replied "No." [REDACTED] stated that he asked whether or not the local building code required the filing of detailed plans and received a reply they did not.

The respondents testified that on April 16, 1946 they had received what is known as a number one wire from the Civilian Production Administration to the effect that they must stop construction if in violation of the freeze order of March 26, 1946. On April 28, 1946, they showed [REDACTED] for the Reno Division of the San Francisco Regional Office, the plan of January 12 and told him that construction was proceeding under this plan. [REDACTED] request they confirmed this by letter. The respondents also showed that on the following day [REDACTED] wrote that inasmuch as the building was started before the March 26 freeze order they could not be in violation of the order. They testified that they continued construction and during the fourteen weeks previous to the instant stop order they spent over \$700,000 and committed themselves to approximately \$500,000 more in addition to \$400,000 before receiving the first stop order above-mentioned.

[REDACTED] stated that the CPA had presented a very weak case and had put into evidence only two very sketchy plots, neither of which showed elevation or other details. [REDACTED] stated apparently little investigation had been made by the CPA after [REDACTED] had oked continuing construction. [REDACTED] stated that points at issue finally devolved down to where he was concerned with the CPA regulations that the building be "the same as to size and kind" as commenced before March 26. He stated that the CPA had put in no proof that the building being constructed was

San Francisco File No. 44-2532

69873

not the same as designed as to size and kind. He stated that although there was no proof he himself privately inferred a doubt as to whether the building was the same size from [redacted] testimony that he could not actually put up a building from the plan of January 12 which was put in evidence by the respondents. [redacted] stated that he therefore decided in favor of the respondents on the facts before him, but allowed the CPA until September 5, 1946 to produce further evidence if they so desired. He stated that unless the CPA requests a further hearing the case will be considered closed on that date.

[redacted] stated that no one had approached him either before, during or after the hearing in regard to the matter and that though at one time [redacted] had introduced subject to him at the hearing neither had followed up the introduction. He stated that [redacted] had asked him if FBI agents could sit in at the hearing, but he had merely passed it off by replying that although the hearings were usually closed he supposed that the representatives of another government agency might sit in. It is noted that at that time no contact had been made by this office with the Civilian Production Administration here.

[redacted] also stated that during a temporary recess in the hearing he overheard the name of Senator McCLELLAN of Nevada mentioned. At this time he heard [redacted] remark that McCLELLAN would come into this matter "over my dead body".

On August 19, 1946 Assistant Special Agent in Charge E. OSTHOLTHOFF and the writer interviewed [redacted] Civilian Production Administration, 1355 Market Street, San Francisco, California. [redacted] stated he was not very well acquainted with the case involving the Flamingo Hotel although he had attended about fifteen minutes of the hearing held before [redacted] on August 13, 1946. He stated that the entire file regarding the case was in the possession of [redacted] of the CPA for the region comprised of California, Nevada and Arizona. [redacted] explained that he has no jurisdiction over [redacted] who is responsible directly to [redacted] CPA, Washington, D.C. [redacted] further stated that his region is somewhat different than the region covered by [redacted] being comprised of Northern California, Nevada, Oregon, Washington, Idaho, Montana and Wyoming.

69874

San Francisco File No. 62-2812

[REDACTED] evidenced a willingness to cooperate and telephonically requested [REDACTED] of the Reno Office of the CPA to make his files available to the FBI. b7c

[REDACTED] subsequently came to [REDACTED] office at which time he advised that he would not be able to furnish information concerning the facts brought out by his investigation or at the hearing or to make available his file or the transcript of the record at the hearing inasmuch as he felt that further investigation would be conducted by the Compliance Division of the Civilian Production Administration. He stated that he did not know just exactly what further investigation would be conducted by his office, but he was going to have a conference that afternoon with [REDACTED] for the Civilian Production Administration. b7c

On August 20, 1946, Assistant SAC OSTHOLTHOFF and the writer again contacted [REDACTED] as well as [REDACTED] for the CPA. At this time [REDACTED] again refused to make available his files regarding instant case or the transcript of the hearing until such time as the CPA investigation was concluded and their case closed. He stated he felt that to do so might interfere with their investigation. b7c

- P E N D I N G -

San Francisco File No. 62-2812

UNDEVELOPED LEADS

69875

SAN FRANCISCO FIELD DIVISION

Will determine the identity and brief personal history of the following individuals:

AT RICHMOND, CALIFORNIA

[REDACTED]

AT STOCKTON, CALIFORNIA

[REDACTED]

AT SACRAMENTO, CALIFORNIA

[REDACTED]

AT SAN FRANCISCO, CALIFORNIA

[REDACTED]

Will discreetly determine the activities and associates of [REDACTED]

Two copies of this report are being furnished to the Chicago Field Division because of the connection between this case and the CIPRA Case.

One copy of this report is being furnished to the Salt Lake City Field Division inasmuch as investigation concerning several of the individuals mentioned herein is being carried on by that field division.

San Francisco File No. 62-2812

69876

SOURCES OF INFORMATION

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

b2
b7c
b7d

The above were considered as Confidential Informants in order to protect their identities.

4/6
2/11

140

Office Memorandum • UNITED STATES GOVERNMENT

TO : MR. ROSEN *b7c*
FROM : [REDACTED] *0*
SUBJECT: BENJAMIN "BUGS" SIEGEL
MISCELLANEOUS INFORMATION CONCERNING -
CRIME SURVEY

DATE: September 5, 1946
Call: 8:15 PM

b7c

Mr. Tolson	
Mr. E. A. Tamm	
Mr. Clegg	
Mr. Coffey	
Mr. Glavin	
Mr. Ladd	
Mr. Nichols	
Mr. Rosen	
Mr. Tracy	
Mr. Carson	
Mr. Egan	
Mr. Gurnea	
Mr. Hendon	
Mr. Pennington	
Mr. Quinn Tamm	
Tele. Room	
Mr. Nease	
Miss Gandy	

At 8:15 PM on September 5, 1946, SAC Harry Kimball called from San Francisco advising that Siegel is registered at the St. Francis Hotel in San Francisco occupying rooms 1133 and 1134, [REDACTED]

[REDACTED] He stated that the installation will be given the previously designated [REDACTED] *b2b b2c*

Mr. Kimball advised that at the time of his call it was 5:15 PM in San Francisco and that up to five minutes before his call the CPA Hearing concerning the subject was still in session. He stated that [REDACTED] will be contacted immediately after the hearing in order to obtain the results and all pertinent information. He stated that the Bureau would be promptly advised of the facts obtained. *b7c*

b7c

[REDACTED]

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 10/2/85 BY SP-9 MJS/166

b7c

[REDACTED]

RECORDED
&
INDEXED
354

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162-81518-139
F B I
29 SEP 9 1946

W

59 SEP 11 1946

141



**Federal Bureau of Investigation
United States Department of Justice**

Los Angeles 13, California
August 27, 1946

IN REPLY, PLEASE REFER TO
FILE NO. 62-2837

DECLASSIFIED BY SP-7/100
ON 11/14/83 ~~PERSONAL AND CONFIDENTIAL~~

- | | |
|----------------|-------|
| Mr. Tolson | _____ |
| Mr. E. A. Tamm | _____ |
| Mr. Clegg | _____ |
| Mr. Glavin | _____ |
| Mr. Ladd | _____ |
| Mr. Nichols | _____ |
| Mr. Rosen | _____ |
| Mr. Tracy | _____ |
| Mr. Carson | _____ |
| Mr. Egan | _____ |
| Mr. Gurnea | _____ |
| Mr. Harbo | _____ |
| Mr. Hendon | _____ |
| Mr. Pennington | _____ |
| Mr. Quinn Tamm | _____ |
| Mr. Nease | _____ |
| Miss Gandy | _____ |

Director, FBI

APPROPRIATE AGENCIES AND FIELD OFFICES

ADVISED BY ROUTING SLIP(S) OF Declar

DATE 11/26/85 1918

Attention: A. ROSEN, Assistant Director

Re: BENJAMIN "BUGS" SIEGEL, with aliases
MISCELLANEOUS; INFORMATION CONCERNING-
CRIME SURVEY

Dear Sir:

In connection with the investigation of Subject SIEGEL, the following information has been brought to the attention of this office with reference to the activities of [redacted] an associate of SIEGEL.

[redacted] b7c

[redacted] b7c

It is noted in the report of Special Agent [redacted] dated August 21, 1946 at Chicago, in the CAPGA case on page 77.

[redacted] Further it is stated on page 60 of the referenced report that:

[redacted] b7c

[redacted] according to the referenced report.

57 SEP 24 1946

RECORDED & INDEXED

347 162-81518-140
F B I 142

Director, FBI

August 27, 1946

Re: BENJAMIN "BUGS" SIEGEL, with aliases

[REDACTED] b

[REDACTED] b

[REDACTED] b

[REDACTED] b

It is noted in the reference report of Special Agent [REDACTED] dated August 21, 1946 at Chicago on page 157.

Other information with reference [REDACTED] is set forth on Page 57 and 58.

[REDACTED]

As other information is developed indicating the activities of Eastern hoodlums who are in contact with SIEGEL, [REDACTED] and their associate, this information will be brought to your attention as well as the attention of the Chicago Field Office.

Very truly yours,

A. E. Ostholthoff
A. E. OSTHOLTHOFF

62-2837

cc: Chicago (Attention: E. J. CONNELLEY, Assistant Director)

U OF INVESTIGATION
FED OF JUSTICE
IDIO'S SECTION

TELETYPE

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 12/29/86 BY SP-8 JRM/STP

WASH 4 LOSA 3 FROM SFRAH
DIRECTOR AND SAC LOS ANGELES
BENJAMIN "BOGS" SIEGEL, WIAS, MISC. INFO CONCERNING, CRIME SURVEY
UNAVAILABLE OVER WEEKEND FOR OPINION ON
KIRBALL

9-7-46

4-45 PM

URGENT

UNAVAILABLE OVER WEEKEND FOR OPINION ON
KIRBALL

RECORDED

162 81518

EX-3

IN B F D

20 SEP 10 1946

SEP 15 1946
ACK PLS 10/7

Office Memorandum • UNITED STATES GOVERNMENT

TO : MR. ROSEN

DATE: 9/5/46

FROM : [REDACTED]

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED

SUBJECT: BENJAMIN "BUGS" SIEGEL

DATE 8/29/95 BY SP-7 mac/105

MISCELLANEOUS - INFORMATION CONCERNING

Mr. Ostholthoff called and stated that SA [REDACTED] had contacted [REDACTED] who received him very cordially. [REDACTED] however, indicated that witnesses at a hearing of this type are not usually placed under oath unless a request that such testimony be furnished under oath is made by the attorneys. He stated under the circumstances since this was merely a continuance of the previous hearing and the parties testifying were not placed under oath, that he did not contemplate placing any of the witnesses under oath. b7c

Mr. Ostholthoff requested advice as to the desirability of contacting [REDACTED] representing the CPA at this hearing to determine if he would request that testimony be given under oath. He advised no information was known concerning [REDACTED] other than the fact that he had unsuccessfully applied for a position as a Special Agent some years ago and when contacted by Mr. Ostholthoff at the last interview had appeared rather cooperative. This contact was made after the Bureau had made arrangements through officials at Washington to have information on the hearing made available to Bureau Agents. It is noted that [REDACTED] was most uncooperative when first contacted by Mr. Ostholthoff on August 20, 1946. He refused to permit Agents to examine the CPA files relative to this hearing and even declined to disclose the name of the reporter, who recorded the hearing. Mr. Ostholthoff was advised that no contact should be made with [REDACTED] at the present time, it being noted that the hearing is scheduled to take place at 1 p.m., San Francisco time today, that is 4 p.m. Washington time.

If considered advisable arrangements may be made through CPA headquarters here for the necessary instructions to be issued to [REDACTED] b7c

[REDACTED] is stopping at a hotel within two blocks of the CPA headquarters in San Francisco, the name was not recalled by Mr. Ostholthoff, but [REDACTED] himself has not as yet been seen by the Agents. Siegel and his party have had no opportunity to contact [REDACTED] as they arrived at San Francisco at 7 p.m. last evening. Siegel is accompanied by Virginia Hill. [REDACTED]

[REDACTED] is also at San Francisco. All of the above are stopping at the St. Francis Hotel. Inasmuch as the Siegel party did not confirm the hotel reservations previously made, their reservations had been cancelled prior to their arrival. [REDACTED]

RECORDED & INDEXED

29 SEP 1946

Memo to Mr. Rosen

[REDACTED]

Physical surveillances of Siegel and his party are being conducted. [REDACTED]

[REDACTED]

b7c
b7D
1

ACTION TAKEN: [REDACTED] I have asked Mr. Hendon to call his contact at CPA so that instructions can be given to the CPA representatives in San Francisco representing the Government to request that the individuals appearing before the Commissioner may be placed under oath.

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FEDERAL BUREAU OF INVESTIGATION
U.S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

SEP 7 1946

TELEMETER

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 10/24/86 BY SP-7 mcl/bbs

CONF TO WASH 2 AND LOS ANGELES 2 FROM SFRA 9-7-46 11-15 AM
DIRECTOR AND SAC URGENT

SPECIAL ATTENTION

BENJAMIN "BUGS" SIEGEL, WAS. MISC. INFO. CONCERNING, CRIME SURVEY
SIEGEL HAS MADE RESERVATIONS FOR SELF AND ANOTHER PARTY, PROBABLY
VIRGINIA HILL, ON TWA FLIGHT ONE FORTY LEAVING S.F. AT SIX PM
TODAY. FLIGHT SCHEDULED TO ARRIVE L.A. AIRPORT EIGHT FIVE P.M. THIS
OFFICE WILL COVER DEPARTURE.

ACK PLB

KIMBALL

RECORDED & INDEXED
343

29 SEP 10 1946

53 SEP 12 1946

Mr. Tolson
Mr. E. A. Tamm
Mr. Clegg
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Carson
Mr. Egan
Mr. Gurnea
Mr. Harbo
Mr. Hendon
Mr. Pennington
Mr. Quinn
Mr. Nease
Miss Gandy

COMMUNICATIONS SECTION

SEP 7 1946

URGENT

DATE

FBI SAN FRANCISCO

5-12AM

URGENT LL

DIRECTOR AND SAC LOS ANGELES

BENJAMIN "BUGS" SIEGEL, WAS, MISC. INFO CONCERNING. PRIME SURVEY

FOLLOWING IS RESUME OF INFORMATION FURNISHED BY

ON SEPTEMBER SIXTH. APPARANTLY SIEGEL AND NINE OR TEN ASSOCIATES AND ATTORNEYS MET IN SIEGEL-S SUITE, ST. FRANCIS HOTEL DURING MORNING. ONE, PROBABLY SEIGEL, MENTIONED HE WANTED TO GET A CONSTELLATION TO KANSAS CITY. THERE WAS DISCUSSION OF HISTORY OF BUILDING AND PLANS. MENTIONED CONTRACT SIGNED WITH [REDACTED] IN LOS ANGELES MARCH EIGHTH. ALSO MENTIONED THEY DIDN-T BELIEVE [REDACTED] QUALIFIED. SOMONE POSSIBLY [REDACTED] SAID THAT ON THE DAY BEFORE [REDACTED] FIRST INSPECTED PROJECT THEY HEARD HE WAS IN LAS VEGAS, GOT HIS DISCRPTION SO ALL EMPLOYEES WOULD KNOW WHAT HE LOOKED LIKE AND DESIGNATED [REDACTED] DESCRIBED BY SPEAKER AS "MY SUPERINTENDENT" AS ONLY PERSON TO TALK TO HIM. HE WAS "LED WHERE WE WANTED HIM TO GO". AT TWELVE TEN P.M. EVERYONE LEFT THE HOTEL APPARANTLY FOR CPA HEARING WHICH STARTED AT ONE P.M. AT SIXFIFTEEN P.M. SEVERAL MEN RETURNED TO SIEGEL-S SUITE. [REDACTED]

[REDACTED] STATED HEARING WAS CONTINUED UNTIL LATER PART OF NEXT WEEK OR EARLY PART OF WEEK AFTER THAT. SHORTLY THEREAFTER IT WAS MENTIONED THAT [REDACTED] MIGHT REFER QUESTION AS TO WHETHER ONE OR TWO BUILDINGS TO AN OUTSIDE ARCHITECT FOR HIS DETERMINATION AND RECOMMENDATION.

58 SEP 12 1946

Handwritten signatures and initials, including "Chalk" and "572".

- Mr. Tolson
- Mr. E. A. Tamm
- Mr. Clegg
- Mr. Glavin
- Mr. Ladd
- Mr. Nichols
- Mr. Rosen
- Mr. Tracy
- Mr. Carson
- Mr. Egan
- Mr. Gurnea
- Mr. Harbo
- Mr. Hendon
- Mr. Pennington
- Mr. Quinn Tamm
- Mr. Nease

PAGE TWO

THEY INDICATED THEY WOULD CONTACT [REDACTED]

[REDACTED] WAS BROUGHT IN TO PRESENT THEIR PLAN TO ARCHITECT SELECTED. THEY SAW POSSIBILITY COMMISSIONER MIGHT SELECT [REDACTED] SEEMED TO BE EXTREMELY FEARFUL OF POSSIBLE FEDERAL CRIMINAL PROSECUTION. SIEGEL SAID "THEY CAN INDICT US NOW, SO WHAT IS THE DIFFERENCE". SIEGEL TOLD OF DEAL HE HAD DURING WAR WITH GEORGE XRAFT AND A THIRD PERSON, MENTIONING BUILDING AN UNNAMED RACE TRACK AT TENFIFTY P.M. [REDACTED] LEFT SAN FRANCISCO VIA WESTERN AIR LINES FLIGHT THREE THREE FIVE FOR LOS ANGELES. [REDACTED] LEAVING FOR PORTLAND, OREGON, VIA UNITED AIR LINES TO ARRIVE THERE ABOUT NINE THIRTY A.M. SEPTEMBER SEVENTH. THEY WILL CONTACT [REDACTED] AND WILL STAY AT CONGRESS HOTEL, PORTLAND. SIEGEL AND VIRGINIA XHILL STILL IN THEIR SUITES AT ST. FRANCIS HOTEL AS OF TWELVE FIFTEEN A.M. SEPTEMBER SEVENTH. [REDACTED]

[REDACTED] UNAVAILABLE BUT ATTEMPT WILL BE MADE TO INTERVIEW HIM SEPTEMBER SEVENTH.

KIMBALL

4845

WA 6-20 PXX AM OK FBI WASH DC GAR

PD VV

OK FBI LA CMM

149

Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. A. Rosen

DATE: September 3, 1946

FROM : [REDACTED]

Call 12:15 P.M.

SUBJECT: BENJAMIN "BUGS" SIEGEL
MISCELLANEOUS
CRIME SURVEYALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 11/25/85 BY SP-9mz/100

Mr. Tolson ✓
Mr. E. A. Tamm
Mr. Clegg
Mr. Coffey
Mr. Glavin
Mr. Ladd
Mr. Nichols ✓
Mr. Rosen ✓
Mr. Tracy
Mr. Carson
Mr. Egan
Mr. Gurnea
Mr. Hendon
Mr. Pennington
Mr. Quinn Tamm
Mr. Nease
Miss Gandy

On September 3, 1946, Mr. Ostholthoff called the Bureau from the Los Angeles Division to furnish the following information concerning the hearing held before the Civilian Production Administration at San Francisco, California, pursuant to Bureau instructions.

After reviewing the transcript of the minutes taken at this hearing and made available to him by the CPA in San Francisco, Mr. Ostholthoff advised that the witnesses who testified therein were not placed under oath by the Commissioner before furnishing their testimony. However, Mr. Ostholthoff stated that before taking any testimony the Commissioner informed all of the witnesses that it would be a violation of law for them to make false statements at the hearing, but the Commissioner did not specify the Statute which he had in mind. The Commissioner also informed the witnesses prior to their taking the witness stand that they did not have to testify to anything which might incriminate themselves.

According to the transcript of testimony Mr. Ostholthoff advised that the following three individuals testified on behalf of subject Siegel:

During this hearing Mr. Ostholthoff stated that the Government contended that the Casino and Restaurant, which are presently under construction at Las Vegas, Nevada, constitute one building project which is separate and apart from the proposed hotel which is also now under construction consisting of approximately 100 rooms. The Government has indicated no objection to the completion of the Casino and Restaurant since its construction was started prior to the stop order issued by the CPA on March 26, 1946, prohibiting all new commercial buildings. At the same time, however, the Government also contends that since the construction of the Flamingo Hotel was started after the issuance of the CPA stop order and is physically separated from the Casino and Restaurant by a space of approximately 120 feet, its further construction must be stopped pursuant to the CPA stop order of March 26, 1946.

RECORDED & INDEXED

Mr. Ostholthoff further stated that subject Siegel and his associates maintained that the Casino, Restaurant, and Hotel are all one and the same building project and were intended to be one building from the date of initial planning. They contend, therefore, that since the construction of this project was instituted prior to March 26, 1946, when the CPA issued its stop order on new commercial construction, they are at liberty to proceed with the building of the Casino, Restaurant and Hotel. At this time Mr. Ostholthoff advised that the Casino and Restaurant are

COPIES DESTROYED

11 NOV 18 1964

70 SEP 15 1946

Mr. A. Rosen

seventy-five per cent completed while the Hotel is only sixty-five per cent completed

When [REDACTED] took the witness stand in behalf of subject Siegel he testified generally to the effect that the Casino, Restaurant, and Hotel were all one project, maintaining that the Casino and Restaurant were only parts of the main building which is the Hotel. [REDACTED] also testified that this was the original intent of those interested in the construction of the Flamingo Hotel, further pointing out that the basements of the Restaurant and Casino go around and through the Hotel, thereby making it one edifice. Mr. Ostholthoff expressed the belief that these allegations may be false since investigation has established that separate building permits were taken out for the Casino and the Hotel and, secondly, because a different contractor was hired specifically and solely for the purpose of constructing the Casino and Restaurant. b7

When [REDACTED] took the witness stand, Mr. Ostholthoff stated that he appeared to be testifying truthfully but noted that [REDACTED] gave very careful and at times confusing answers in reply to questions posed by the Government. Mr. Ostholthoff expressed the belief that it would be extremely difficult to establish a case of perjury against [REDACTED] but said he wished to hold his final opinion in abeyance until he had an opportunity to study thoroughly the transcript of the minutes in this initial hearing. b7

When [REDACTED] who represented the builders of the Flamingo Hotel, took the witness stand on behalf of subject Siegel, Mr. Ostholthoff advised that he testified along substantially the same lines as [REDACTED] noting that [REDACTED] also contended that the Casino, Restaurant, and Hotel were all one building and further that this had been the intention of Siegel and his associates from the beginning of this project. Mr. Ostholthoff again expressed the belief that some of the allegations made by witness [REDACTED] may be false for the same reasons that some of the allegations made [REDACTED] may be false. b7

At the conclusion of this hearing Mr. Ostholthoff advised that the Commissioner found in favor of Siegel and his associates and directed that the construction of the Flamingo Hotel should proceed. However, the Commissioner also gave the Government until Thursday, September 5, 1946, in which to develop and present further evidence to show that the construction of the Flamingo Hotel should be stopped forthwith. Mr. Ostholthoff stated that the San Francisco Office of the CPA has conducted additional investigation and is desirous of presenting additional information at the hearing to be held on September 5, 1946, in the hope that it can prevent the further construction of the Flamingo Hotel. Mr. Ostholthoff noted that the San Francisco Office of the CPA is now cooperating fully with the Bureau in connection with this inquiry.

ACTION TAKEN

The writer requested Mr. Ostholthoff to make appropriate arrangements to cover the supplementary hearing to be held concerning this matter on September 5, 1946 and also to furnish the Bureau as soon as possible with pertinent sections of the

Mr. A. Rosen

official transcripts of both of these hearings tending to indicate the commission of perjury on the part of any witnesses testifying on behalf of subject Siegel. Mr. Ostholthoff stated that the Bureau's wishes in this regard would be complied with as soon as the information desired is available. He said the Bureau would be advised of the ultimate disposition of the hearing to be held on September 5, 1946, as soon as it is known. Mr. Ostholthoff stated that he contemplated taking no immediate action concerning the establishment of perjury on the part of any of the individuals involved pending the outcome of this hearing.

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

SEP 8 1946

TELETYPE

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 10/21/96 BY SP-1 JAC/BJC

Mr. Tolson _____
Mr. E. A. Tamm _____
Mr. Clegg _____
Mr. Glavin _____
Mr. Ladd _____
Mr. Nichols _____
Mr. Rosen _____
Mr. Tracy _____
Mr. Carson _____
Mr. Egan _____
Mr. Gurnea _____
Mr. Harbo _____
Mr. Hendon _____
Mr. Pennington _____
Mr. Quinn Tamm _____
Mr. Nease _____

CONF WASH 1 AND LOSA 1 FROM SFRAN 9-7-46 11-00 PM

DIRECTOR AND SAC LOS ANGELES URGENT

BENJAMIN QUOTE BUGS UNQUOTE SIEGEL WAS., MISC. INFORMATION CONCERN
CRIME SURVEY. SUBJECT AS B. B. SIEGEL AND HILL AS M. Y. HILL OBSERVE
DEPARTING ON FLIGHT THREE THREE FIVE WESTERN AIRLINES FROM SAN
FRANCISCO FOR LOS ANGELES AT NINE FORTY PM THIS DATE. THEY WERE
ACCOMPANIED TO PLANE BY [REDACTED] b7c

[REDACTED]

[REDACTED] NO FURTHER PERTINENT ACTIVITIES BY SUBJECT OR HILL
LAST NIGHT OR TODAY. INVESTIGATION CONTINUING RE RESULTS CPA HEARING
AND CONTACTS OF SUBJECTS AND ASSOCIATES.

KIMBALL

ACK PLS

RECORDED & INDEXED
343

SE 20 162-191018-146
F B I
29 SEP 10 1946

53 SEP 12 1946

City [unclear]
512
gc

153



**Federal Bureau of Investigation
United States Department of Justice**

Salt Lake City, Utah
August 29, 1946



IN REPLY, PLEASE REFER TO
FILE NO. 1

APPROPRIATE AGENCIES
AND FIELD OFFICES
ADVISED BY ROUTING
SLIP(S) OF Declass
DATE 11/24/85 DGL

mm
H18

DECLASSIFIED BY SP-7 mac/88
ON 10/29/93

Director, FBI

~~PERSONAL & CONFIDENTIAL~~

KPA ✓

Re: BENJAMIN "BUGS" SIEGEL
MISCELLANEOUS - INFORMATION CONCERNING
CRIME SURVEY

Dear Sir:

In conformity with the telephonic instructions given
to Mr. OSTHOLTHOFF at Los Angeles by Mr. HARBO of the Bureau,
[redacted] which was recently in
use at Las Vegas, Nevada and found to have a defective switch,
is being forwarded to the Bureau today by Railway Express
under Government Bill of Lading J-390728. The original and
two copies of this bill of lading are enclosed.

b7E

Very truly yours,

Jay C. Newman
JAY C. NEWMAN
SAC

~~DEFERRED RECORDING~~
HANDLED BY
STOP DESK

Encl.

JCN [redacted]
94-142-Sub.A

cc - Mr. A. E. Ostholtzoff, Los Angeles (P. & C.)

B/L detached
9/5/46

RECORDED
162-81518-147
FBI
29 SEP 16 1946

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K

b7C

70 SEP 15 1946

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file
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Q

5

[REDACTED] AFTER ENJOINMENT, TESTIFIED THAT HE
 DISCUSSED WITH THE BUILDING INSPECTOR THE
 [REDACTED] TO MAKE THE PLANS AND THAT THE PLANS CALL FOR THE CONNECTION
 BETWEEN THE TWO BUILDINGS. THEY DISCUSSED THE POINT WHERE THE
 WITNESS STOOD UNDER CROSS EXAMINATION AND THAT HE WAS NOT
 SURE OF THE EXACT LOCATION OF THE PLANS.

[illegible]

[illegible]

b7C
b7D

1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2150, 2151, 2152, 2153, 2154, 2155, 2156, 2157, 2158, 2159, 2160, 2161, 2162, 2163, 2164, 2165, 2166, 2167, 2168, 2169, 2170, 2171, 2172, 2173, 2174, 2175, 2176, 2177, 2178, 2179, 2180, 2181, 2182, 2183, 2184, 2185, 2186, 2187, 2188, 2189, 2190, 2191, 2192, 2193, 2194, 2195, 2196, 2197, 2198, 2199, 2200, 2201, 2202, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2212, 2213, 2214, 2215, 2216, 2217, 2218, 2219, 2220, 2221, 2222, 2223, 2224, 2225, 2226, 2227, 2228, 2229, 2230, 2231, 2232, 2233, 2234, 2235, 2236, 2237, 2238, 2239, 2240, 2241, 2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2252, 2253, 2254, 2255, 2256, 2257, 2258, 2259, 2260, 2261, 2262, 2263, 2264, 2265, 2266, 2267, 2268, 2269, 2270, 2271, 2272, 2273, 2274, 2275, 2276, 2277, 2278, 2279, 2280, 2281, 2282, 2283, 2284, 2285, 2286, 2287, 2288, 2289, 2290, 2291, 2292, 2293, 2294, 2295, 2296, 2297, 2298, 2299, 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2312, 2313, 2314, 2315, 2316, 2317, 2318, 2319, 2320, 2321, 2322, 2323, 2324, 2325, 2326, 2327, 2328, 2329, 2330, 2331, 2332, 2333, 2334, 2335, 2336, 2337, 2338, 2339, 2340, 2341, 2342, 2343, 2344, 2345, 2346, 2347, 2348, 2349, 2350, 2351, 2352, 2353, 2354, 2355, 2356, 2357, 2358, 2359, 2360, 2361, 2362, 2363, 2364, 2365, 2366, 2367, 2368, 2369, 2370, 2371, 2372, 2373, 2374, 2375, 2376, 2377, 2378, 2379, 2380, 2381, 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2412, 2413, 2414, 2415, 2416, 2417, 2418, 2419, 2420, 2421, 2422, 2423, 2424, 2425, 2426, 2427, 2428, 2429, 2430, 2431, 2432, 2433, 2434, 2435, 2436, 2437, 2438, 2439, 2440, 2441, 2442, 2443, 2444, 2445, 2446, 2447, 2448, 2449, 2450, 2451, 2452, 2453, 2454, 2455, 2456, 2457, 2458, 2459, 2460, 2461, 2462, 2463, 2464, 2465, 2466, 2467, 2468, 2469, 2470, 2471, 2472, 2473, 2474, 2475, 2476, 2477, 2478, 2479, 2480, 2481, 2482, 2483, 2484, 2485, 2486, 2487, 2488, 2489, 2490, 2491, 2492, 2493, 2494, 2495, 2496, 2497, 2498, 2499, 2500, 2501, 2502, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2511, 2512, 2513, 2514, 2515, 2516, 2517, 2518, 2519, 2520, 2521, 2522, 2523, 2524, 2525, 2526, 2527, 2528, 2529, 2530, 2531, 2532, 2533, 2534, 2535, 2536, 2537, 2538, 2539, 2540, 2541, 2542, 2543, 2544, 2545, 2546, 2547, 2548, 2549, 2550, 2551, 2552, 2553, 2554, 2555, 2556, 2557, 2558, 2559, 2560, 2561, 2562, 2563, 2564, 2565, 2566, 2567, 2568, 2569, 2570, 2571, 2572, 2573, 2574, 2575, 2576, 2577, 2578, 2579, 2580, 2581, 2582, 2583, 2584, 2585, 2586, 2587, 2588, 2589, 2590, 2591, 2592, 2593, 2594, 2595, 2596, 2597, 2598, 2599, 2600, 2601, 2602, 2603, 2604, 2605, 2606, 2607, 2608, 2609, 2610, 2611, 2612, 2613, 2614, 2615, 2616, 2617, 2618, 2619, 2620, 2621, 2622, 2623, 2624, 2625, 2626, 2627, 2628, 2629, 2630, 2631, 2632, 2633, 2634, 2635, 2636, 2637, 2638, 2639, 2640, 2641, 2642, 2643, 2644, 2645, 2646, 2647, 2648, 2649, 2650, 2651, 2652, 2653, 2654, 2655, 2656, 2657, 2658, 2659, 2660, 2661, 2662, 2663, 2664, 2665, 2666, 2667, 2668, 2669, 2670, 2671, 2672, 2673, 2674, 2675, 2676, 2677, 2678, 26

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Office Memorandum • UNITED STATES GOVERNMENT

TO : MR. E. A. TAMM

DATE: 9/6/46

FROM : J. A. ROSEN

Call 2 pm

SUBJECT: BENJAMIN "BUGS" SIEGEL
MISCELLANEOUS - INFORMATION CONCERNING

Mr. Tolson
Mr. E. A. Tamm
Mr. Clegg
Mr. Coffey
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Carson
Mr. Egan
Mr. Hendon
Mr. Pennington
Mr. Quinn Tamm
Tele. Room
Mr. Nease
Miss Gandy

Mr. Ostholtzoff, Los Angeles, telephonically furnished the following information at this time in connection with the above-entitled matter.

He stated that the witnesses at the CPA hearing in San Francisco were placed under oath, however, yesterday only Government witnesses appeared. It is planned that Siegel's witnesses will appear before the Commissioner at the hearing and they will be placed under oath. today

Mr. Ostholtzoff stated in connection with the microphone coverage of Siegel and party at the hotel last night there was nothing of special significance. Siegel and party went back to Siegel's room about 5:30 p.m. last night. Mention was made of

[REDACTED] Ostholtzoff stated that mention was also made that they would have to get someone who could show up the expert. Ostholtzoff believed that Siegel's party was referring to the CPA expert, [REDACTED] and that they would have to put someone on to offset his testimony. It was suggested that [REDACTED] of the Del-Webb Construction be put on but someone objected because they thought he would not make a good witness. [REDACTED] one of Siegel's attorneys, made the statement he thought the hearing would be favorable on the following day. The party went to dinner about 7 p.m. and returned about 9:15 p.m. and played poker until 4:15 a.m.

[REDACTED] mentioned he had lost \$200,000 on the stock market in the last three days.

Ostholtzoff said that in the teletype which was sent in last night by the San Francisco office the reference to a [REDACTED] and the reference to [REDACTED] should be [REDACTED] who is a criminal lawyer and handles such matters for Siegel in Los Angeles. Ostholtzoff stated this seems to indicate that Siegel is taking the dominant part in this hearing rather than [REDACTED]

70 SEPT 8 1946

Ostholtzoff stated he would keep the Bureau advised of

EX-6

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 1/16/81 BY 517-1041/100

159

Office Memorandum • UNITED STATES GOVERNMENT

TO : MR. TOLSON

DATE: 9/6/46

FROM : R. C. HENDON ✓

SUBJECT: BENJAMIN SIEGEL, with aliases

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 10/19/95 BY SP-7 mac/100

Mr. Tolson
Mr. E. A. Tamm
Mr. Clegg
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Carson
Mr. Egan
Mr. Gurnea
Mr. Harbo
Mr. Hendon
Mr. Pennington
Mr. Quinn
Mr. Nease
Miss Gandy

Pursuant to the request of Mr. Rosen, I telephoned [redacted] of the Civilian Production Administration, at 1:45 p.m. yesterday. I pointed out to him that the hearing in connection with further construction on the ~~Flamingo Hotel~~ was to be held at 4:00 p.m. our time at San Francisco yesterday. I stated that it was our understanding that [redacted] did not contemplate putting the witnesses under oath at this hearing. I stated that in view of our interest in the matter from a possible fraud angle, we had the feeling that any possible action by the Government in the future might be greatly strengthened should any testimony be under oath since this would support any possible purjury violation. b7c

He stated that it was not customary to put witnesses in such hearings under oath. To my inquiry he advised, however, that there was the right of the Government to put witnesses under oath in these hearings and I stated that as I had previously indicated to him there were great possibilities of severe public criticism against the CPA and the administration generally should further construction in this matter be permitted and that it certainly might be wise for the oaths to be administered.

[redacted] stated that he would immediately telephone [redacted] at San Francisco to determine whether this could be done. He stated that this case of course was like hundreds of others that came to the attention of the CPA but that perhaps it was the only one of the type that would come to our attention. I said that the contemplated use of the hotel and casino perhaps took it out of the usual type and reiterated that he might want to be certain that the Government's interests were fully protected since I assumed his organization and ours had the same purpose of protecting the Government. He stated that perhaps the CPA and the FBI were investigating the same thing and indicated that if they determined any fraud it would of course be turned over to us. I stated I felt there was no duplication since at this point there was little that the FBI could do until the hearing and the conclusion of the CPA orders had been determined. I mentioned again that [redacted] of the CPA who was away yesterday, had indicated his interest in this matter to me. b7c

RECORDED

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INDEXED

EX-31

162-81518-150

SEP 11 1946

RCH [redacted]

70 SEP 18 1946

b7c

10

Office Memorandum

UNITED STATES

GOVERNMENT

TO : MR. E. A. TAMM

FROM : A. ROSEN *Rosen*

SUBJECT: BENJAMIN "BUGS" SIEGEL
MISCELLANEOUS - INFORMATION CONCERNING

DATE: 9/3/46

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 10/19/85 BY 91-7mactoc

Mr. Tolson
Mr. E. A. Tamm
Mr. Clegg
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Carson
Mr. Egan
Mr. Gurnea
Mr. Harbo
Mr. Hendon
Mr. Pennington
Mr. Quinn Tamm
Tele. Room
Miss Gandy

With reference to SA Ostholtzoff's telephone call referred to in the attached memorandum, the following information is furnished concerning the action taken by the Bureau.

On August 19, 1946, Ostholtzoff at 5:40 p.m., said he and another Agent had gone to the CPA headquarters at San Francisco, had talked to the Regional Director and indicated to him in what they were interested. The Regional Director pointed out that the matter was one not within the jurisdiction of his office but referred Ostholtzoff to [redacted] of the Compliance Section of the CPA. As reflected in the telephone call, the ultimate result of Ostholtzoff's contact with [redacted] was to the effect that the information which he sought was not available. Upon the basis of the substance of the above information, Ostholtzoff was directed to make a formal request for the material desired so that we could go on record with the CPA in California as to our specific desires in this matter.

On August 20, 1946, pursuant to my instructions, Ostholtzoff called me back and at 3:30 p.m., Washington time, advised me that he had made a specific request of [redacted] and that [redacted] had refused to make the files available to Ostholtzoff. I advised Ostholtzoff in view of the refusal that the Bureau would probably go directly to CPA and make the request here in Washington for the information and if we did not go directly to CPA we might have to handle it through the offices of the Attorney General. I told Ostholtzoff he would be advised as to what action the Bureau would take in this regard. I cautioned Ostholtzoff in connection with his open inquiries into the matter and to be circumspect in his dealings in order not to disclose the Bureau's interest in the overall picture. This information was furnished to Mr. Tamm's office on August 20, 1946, and Ostholtzoff was to prepare and forward to the Bureau AMSD for my attention all of the details in this matter.

70 SEP 17 1946

EX-2

EX-2

RECORDED
INDEXED

62-71517-151

161

Los Angeles, California

August 26, 1946

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 11/14/95 BY 91-9 msc/dmc

MEMORANDUM FOR THE DIRECTOR:

Re: BENJAMIN "BUGS" SIEGEL
MISCELLANEOUS; INFORMATION CONCERNING;
CRIME SURVEY

Pursuant to your request today, there is set out below the facts concerning my conferences with Officials of the Civilian Production Administration at San Francisco on August 19th and 20th. The information concerning the conferences was furnished to the Bureau in a memorandum dated August 20, 1946, although that memorandum did not have all of the detail which I am setting out below.

On August 19, 1946, at 10:00 a.m. Special Agent [redacted] and the writer interviewed [redacted] of the Civilian Production Administration, 1355 Market Street, San Francisco, California. We advised [redacted] that we were interested in going over the files of the C.P.A. in connection with the construction of the Flamingo Hotel at Las Vegas, Nevada. We advised [redacted] that we had information to the effect that there was possibly fraud against the government involved and that there was possibly perjury involved on the part of the individuals constructing the Flamingo Hotel. We also advised him briefly of the background of the individuals concerned with the construction of the hotel.

[redacted] explained that he was not intimately acquainted with the case of the Flamingo Hotel and that he had attended about fifteen minutes of the hearing before [redacted] on August 13, 1946. He said he had only a general idea that the controversy revolved around whether there was being constructed one building or several buildings, but he was not in a position to go into the technical aspects of the matter. He said that the entire file on this is in the possession of [redacted] for the region comprised of all California, Nevada, and Arizona and who was responsible directly to [redacted] for the C.P.A. at Washington, D.C. In other words, [redacted] said that [redacted] does not report to [redacted] even though [redacted] for the C.P.A. [redacted] explained that he is Regional Director for Region Number 9 which covers the following territory: Northern California, Nevada, Oregon, Washington, Idaho, Montana and Wyoming. [redacted] evidenced a great willingness to cooperate with us, and during the course of our conference with him he communicated with [redacted] who was in charge of the Reno Office and

ENCLOSURE

63 80-11-151

MEMORANDUM FOR THE DIRECTOR:

August 26, 1946

works under [redacted] and instructed him to make available to the F.B.I. his complete file concerning the Flamingo Hotel and to furnish whatever information an agent might ask. b7c

[redacted] called to his office [redacted] and at that time we explained to him our interest in the construction of the Flamingo Hotel. He said that he understood that the F.B.I. had some interest in this matter. When he was asked to produce the file in order that we might review it, he said that he could not produce the file because the case was still pending, that there would probably be another hearing on this matter before the commissioner on September 5, 1946, and, therefore, he did not think that the F.B.I. should look at the file. We asked him what further action the C.P.A. planned to take, and he stated that he did not know. He said that he is going to have a conference with the legal staff of the C.P.A. on August 19, 1946, and requested that we come back on August 20, 1946, when he would be in a better position to discuss the matter. We told him that we were interested only in the facts in controversy, and he stated that he did not know completely what those facts were, that it would be necessary to review the transcript of the hearing before [redacted] that the case apparently would turn on rather technical points, and that it would probably be necessary for his organization to secure technical help in working out their investigation. He said that at this point he was not certain that further investigation would be made or that the C.P.A. would do anymore about this case, but that he would be able to advise us concerning this on August 20. b7c

Upon our return to the San Francisco Office, Special Agent [redacted] telephonically communicated with [redacted] and asked him for the name of the firm which was preparing the transcript of the hearing before [redacted]. At this time [redacted] advised that he did not think he should furnish us with the name of the reporter and did not think that he should furnish us with the transcript inasmuch as their investigation was still pending. He was asked whether or not he had gone into the matter with [redacted] for the C.P.A. who had handled the hearing, and he stated that he had briefly done so but that they had not completed the discussion and would not do so in time for us to meet with him at 4:00 p.m. August 19, it having been explained to him that Agent OSTBOLTHOFF desired to catch a 5:00 o'clock plane rather than wait over until the following day. b7c

On August 20, 1946, at 9:00 a.m. Special Agent [redacted] and the writer had another conference with [redacted] at which time there was also present [redacted] for the C.P.A. who handled the hearing on behalf of the C.P.A. before [redacted] b7c

MEMORANDUM FOR THE DIRECTOR:

August 26, 1946

This conference was held in the office of [redacted] and before the arrival of [redacted] [redacted] apologized for the fact that he had no control over anything that [redacted] does, thus indicating that he desired that we be furnished all possible information concerning this matter. b7c

At this time we again asked [redacted] to go over the file on the entire Flamingo Hotel matter, and [redacted] stated that he would not do this because of the fact that the investigation on the part of the C.P.A. was still pending; that if we felt his attitude was unreasonable we would have to have his superiors in Washington order him to turn over the file to us. We also formally asked him for the name of the court reporter who was preparing the transcript of the hearing before [redacted] and this was refused us. [redacted] said that he did not want to furnish this transcript to us because there were several things said at the hearing which were off the record and he wanted to go over those with the commissioner before making any transcript available to us. b7c

I told [redacted] that we could not understand their attitude, that we were not "outsiders" nor were we aligned with the respondents in this matter but were representatives of another Government agency which had jurisdiction to investigate fraud against the Government. I asked [redacted] if the builders of the Flamingo Hotel would be entitled to a copy of the transcript of this hearing, and [redacted] answered the question by stating, "Yes, they would if they pay the fee". b7c

[redacted] said that he did not want to appear unreasonable but suggested that we wait until the completion of the hearing on September 5, - after which time he would be willing to turn over all of the information. [redacted] then pointed out that it was August 20 and the hearing was to be held September 5 and that we would be held up only two weeks. We pointed out that time is of the essence in a matter of this kind, that the individuals involved in this matter work fast, and that a great deal of evidence could disappear in two weeks. [redacted] then stated that we had gone over the case yesterday, and I advised him that if he had furnished us the facts in this matter yesterday I apparently had missed hearing them and asked that he repeat the facts in controversy on the whole investigation. He then stated that the matter revolved around whether the first permission which was granted by [redacted] was valid and whether the builders of the Flamingo Hotel were constructing one building or more than one building. I pointed out that we were dealing in generalities and that we wanted the facts in the matter. I pointed out that they had presented a case before a commissioner and had received an adverse ruling. I asked him why an adverse ruling had been received, and he stated that: "You would have to read the commissioner's mind to get the answer to that." I told b7c

MEMORANDUM FOR THE DIRECTOR:

August 26, 1946

him that I did not believe that was the case, that in any court proceeding by analysing the facts presented by the Government and those presented by the defense you can obtain the reasons for a decision.

[redacted] then reverted back to the theory that the matter was highly technical. I then asked him why the stop order was sent to the builders of the Flamingo Hotel, and he said that was based on investigation conducted by the Compliance Division of the C.P.A. which had been furnished to the Washington headquarters of the C.P.A., who had issued the stop order. I asked him in view of the fact that this investigation had been conducted if they were not in a position at that time to present a case before the commissioner which would uphold the contention of the Government, and he stated that they were supposed to be in a position to do that but sometimes they were caught short on a stop order and they do not have enough evidence to present. He said that he felt that if the F.B.I. conducted an investigation of this matter at this time it would harm the investigation of the C.P.A. I asked him how it would harm the C.P.A. investigation, and he said he did not know. I then advised him that I did not believe that our investigation would interfere with the C.P.A. case. [redacted] remarked about swarms of agents out investigating this matter who had been duplicating the C.P.A. investigation and said that the builders of the Flamingo Hotel would come up to the hearing with high-price lawyers and technical experts. I asked him if the builders of the Flamingo Hotel were not already on notice that his organization was conducting an investigation, and he admitted that they had already appeared at the first hearing with high-price lawyers and technical assistants. b7c

[redacted] then proposed that we hold off our investigation until after the C.P.A. hearing September 5th. He said that if both the C.P.A. and the F.B.I. investigate this matter we might both fail, but that if C.P.A. alone investigates it the chance of C.P.A. failing is less. However, he stated that if the C.P.A. fails to make its case then they will turn the matter over to us. I told him that he himself stated that we would be going over the same investigation, and I pointed out that if that is true that if the C.P.A. fails then the F.B.I. fails. He admitted that this was true. b7c

The only thing that [redacted] would reveal as to the future investigation of the C.P.A. was that they planned to take photographs of the work as it now stands on the Flamingo Hotel and to try to get technical assistance. He said that they might not be able to get this technical assistance and then he did not know what the results of their case might be. He said that they thought they might try to get additional plans used by the construction company. b2

MEMORANDUM FOR THE DIRECTOR:

August 26, 1946

I then asked [redacted] if he thought that the C.P.A. could make a case that would "stick". He replied that he did think so, otherwise, they would not proceed with further investigation. Naturally he qualified this by stating that it depends on what evidence is secured, that if the same evidence is secured that he feels can be secured the stop order of the C.P.A. can be made final. b7c

We asked [redacted] what recourse the builders have in the event the stop order is made final, and they stated that they can appeal to the Chief Compliance Officer of the C.P.A. after which they can have recourse to the Federal Courts for a restraining order. b7c

[redacted] then asked if there was anything else that I wanted, and I told him that we had not received anything that we came for, that what we wanted was the full facts on this entire matter. I told him that apparently he had no intention of furnishing that to us and his attitude was that he would have to secure the authority for him to furnish this information to us from his superiors in Washington. He stated that this was correct. b7c

A. E. Ostholtoff
A. E. OSTHOLTHOFF

AEO
62-2837 b7c

OFFICE OF DIRECTOR, FEDERAL BUREAU OF INVESTIGATION

TO
OFFICIAL INDICATED BELOW BY CHECK MARK

Mr. Tolson _____
Mr. E. A. Tamm _____
Mr. Clegg _____
Mr. Glavin _____
Mr. Ladd _____
Mr. Nichols _____
Mr. Rosen _____
Mr. Tracy _____
Mr. Carson _____
Mr. Gurnea _____
Mr. Harbo _____
Mr. Hendon _____
Mr. Nease _____
Miss Gandy _____

See Me _____
Note and Return _____
For Your Recommendation _____
What are the facts? _____
Remarks: _____

I understand
Cathalho's phone
Wash about this
on Tues. Aug. 20.
What I want to
know is why
Wash didn't
then instead of
resorting to delay -
ing tactics & avoid
ing arrival of written
info. We don't
never hope to get anywhere

when such cumbersome
about this procedure is followed
at Wash.

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED

DATE 1/16/85 BY SP-7 mac/185

ENCLOSURE

62-81578-157

referred
to
a
a
a

Office Memo.

m • UNITED

GOVERNMENT

TO : MR. Tamm
FROM : D. M. Ladd
SUBJECT: BENJAMIN "BUGS" SIEGEL
MISCELLANEOUS - INFORMATION CONCERNING

DATE: September 2, 1946

With reference to the information received from Special Agent Ostholtzoff indicating that the CPA in San Francisco had refused to furnish information to Ostholtzoff, I desire to advise that I received a memorandum from the Investigative Division either late Tuesday night, August 20, or the first thing Wednesday morning, August 21, which indicated that Mr. Ostholtzoff had telephoned the Bureau and had advised that he had been refused access to the CPA records. It was recommended that the matter be taken up with the headquarters of the CPA here and a memorandum indicating that Mr. Ostholtzoff had been instructed to forward air mail special delivery the details with reference to this matter, was submitted.

I took no action on this memorandum and in fact took no further action until the receipt of this air mail letter, which was on Thursday night August 22. On receipt of the letter from Ostholtzoff on Thursday night, I, on Friday, called the matter to the attention of the Director on the telephone and secured his authorization to discuss the matter with CPA headquarters in Washington in an effort to secure access to the records. Subsequent to talking to the Director, Mr. Hendon informed me that he was having dinner with the Deputy Director of CPA on Saturday and that he was a close personal friend of the Deputy Director and would take the matter up with him on that occasion, which he did do.

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 10/10/85 BY SP-7 MCT/RS

DM I still think a phone call
placed on Aug 20th here to
CPA would have brought
results & that it was not
necessary to wait a week
before starting action.

RECORDED

70 SEP 15 1946

16

FEDERAL BUREAU OF INVESTIGATION

Mr. Tolson.....
Mr. E. A. Tamm.....
Mr. Clegg.....
Mr. Glavin.....
Mr. Ladd.....
Mr. Nichols.....
Mr. Rosen.....
Mr. Tracy.....
Mr. Egan.....
Mr. Gurnea.....
Mr. Harbo.....
Mr. Pennington.....

CASE ORIGINATED AT NEW YORK	DATE WHEN MADE 9/1/46	PERIOD FOR WHICH MADE 8/12, 13, 14, 21, 22, 23, 24, 25/46	REPORT MADE BY [REDACTED]
TITLE BENJAMIN SIEGEL, with aliases, "Bugs" Siegel, Bugsy Siegel			CHARACTER OF CASE b7c MISCELLANEOUS; INFORMATION CONCERNING; GRAM SURVEY

SYNOPSIS OF FACTS:

CONFIDENTIAL

STATISTICS
SEP 1946
NO 66

[REDACTED]

Background information concerning BENJAMIN "BUGS" SIEGEL appearing in NY files set forth.

- P -

REFERENCE: Report of Special Agent A. E. Ortholhoff, 8/7/46, Los Angeles,

APPROPRIATE AGENCIES AND FIELD OFFICES ADVISED BY ROUTING SLIP(S) OF Declared DATE 11/26/85 BGL

Mr. Tolson
Mr. E. A. Tamm
Mr. Clegg
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Egan
Mr. Gurnea
Mr. Harbo
Mr. Pennington
Mr. Quinn
Mr. Nease
Miss Gandy

DECLASSIFIED BY SP-7 mac/100 ON 4/17/83

DEFERRED RECORDING
HANDLED BY
STAFF DESK

APPROVED AND FORWARDED: Edward L. Kelly
SPECIAL AGENT IN CHARGE
COPIES DESTROYED
211 NOV 18 1964

SPECIAL AGENT IN CHARGE

DO NOT WRITE IN THESE SPACES

62-815-153

SE 32

- COPIES OF THIS REPORT
- 3 - Bureau
 - 2 - Chicago-Att: Assistant Director
E.J. Connelley (Enc.) (Info.)
 - 2 - Los Angeles (Enc.)
 - 1 - Salt Lake City (Info.)
 - 2 - 383 181946

RECORDED & INDEXED

[REDACTED]

b7c

NY 62-8883

DETAILS:

[REDACTED]

The following information is being reported by Special Agent [REDACTED] and concerns the information available in the files of the New York Field office concerning [REDACTED]

b7c

Under date of August 13, 1946 the Los Angeles Division requested by teletype that the identity of [REDACTED] be determined.

b7c

[REDACTED]

[REDACTED]

b7c

[REDACTED]

b7c

[REDACTED]

b7c

XXXXXX
XXXXXX
XXXXXXFEDERAL BUREAU OF INVESTIGATION
FOIPA DELETED PAGE INFORMATION SHEET

1 Page(s) withheld entirely at this location in the file. One or more of the following statements, where indicated, explain this deletion.

- ☒ Deleted under exemption(s) b7c with no segregable material available for release to you.
- ☐ Information pertained only to a third party with no reference to you or the subject of your request.
- ☐ Information pertained only to a third party. Your name is listed in the title only.
- ☐ Documents originated with another Government agency(ies). These documents were referred to that agency(ies) for review and direct response to you.

_____ Pages contain information furnished by another Government agency(ies). You will be advised by the FBI as to the releasability of this information following our consultation with the other agency(ies).

_____ Page(s) withheld for the following reason(s):

☐ For your information: _____

- ☒ The following number is to be used for reference regarding these pages:

62-81518-153 pgs 3

XXXXXX
XXXXXX
XXXXXXXXXXXXXXXXXXXXXXXXXX
X DELETED PAGE(S) X
X NO DUPLICATION FEE X
X FOR THIS PAGE X
XXXXXXXXXXXXXXXXXXXX

[REDACTED]

b7c

-3-

NY 62-8883

[REDACTED]
brought to the attention of the Los Angeles Field Division. Photographs
[REDACTED] are being made enclosures in this report.

b7c

The New York files fail to reveal any information whatsoever
in connection with [REDACTED]. However, if he is financially or otherwise
connected [REDACTED] it is believed that the investigation of the
[REDACTED] as well as instant investigation or that of the CAPMA
will bring to light the identity [REDACTED] if he is involved in any criminal
activities.

b7

172

b7c

885

b7c

The following information is being submitted by Special Agent [redacted] covering investigation conducted on August 15, 1946 concerning [redacted] information is predicated upon Los Angeles teletype dated August 14, 1946.

b7c

[redacted]

b7c

[redacted]

b7c

[redacted]

b7c

[redacted]

b7c

[redacted]

b7c

[redacted]

b7c

1713

NY 62-8883

Re: BENJAMIN (BUGS) SIEGEL

The following information is being reported by Special Agent [redacted] and is the result of a review of the files of the New York Field office in connection with SIEGEL's activities. Report of reference indicated a desire that factual background information of SIEGEL appearing in the New York files be furnished, particularly his known associates in New York City and on the west coast. b7c

A review of the files of the New York office reflects that SIEGEL's name appears in over a hundred references. SIEGEL, however, is most prominently mentioned in the Furdress investigation which was instituted in 1938 for the purpose of locating [redacted]. The New York files reflect that SIEGEL's name is first mentioned in a letter to the Bureau dated January 9, 1934 regarding the general gangster investigation (Los Angeles Field office file 62-999) which was being made at that time. According to this letter, SIEGEL is mentioned as one of the more important gangsters in New York City who is extremely wealthy and resides at the Waldorf Astoria Hotel. He is connected with LEPKE and LUCIANO and also invests money in the LONGY ZWILLMAN mob along hard liquor lines. He was formerly a killer and makes considerable money out of bottling liquors and also controls the fake label racket. It also appears that SIEGEL checked out of the Waldorf Astoria where he had made his residence on March 2, 1934, at which time he went to California, and it is believed that with the exception of a few trips to New York City SIEGEL maintains his permanent residence on the west coast since March 2, 1934. b2

SIEGEL's name was also quite prominently mentioned in the Murder, Inc. investigation which was handled under the personal supervision of the then District Attorney for Brooklyn, WILLIAM O'DWYER. According to a newspaper release dated April 5, 1940 in the New York Evening Journal American, the following is noted: "District Attorney O'DWYER named two imported gunmen as having been brought here (New York) to silence witnesses - ISADORE BERNSTEIN, trigger man from the Detroit Purple Gang, and BEN (BUGS) SIEGEL, leading west coast racketeer." According to O'DWYER, SIEGEL resided at a Manhattan hotel for three days but when it was determined that the local police knew of his presence in New York City, he immediately checked out and possibly returned to the west coast.

A great deal of investigation in the Furdress and Murder, Inc. investigations was conducted both in Los Angeles and New York City in connection with SIEGEL's present and past activities, and from a review of these files it was noted that the Los Angeles office is in possession of all pertinent serials in connection therewith. 176

Another reference concerning SIEGEL was noted in the Bank of Manhattan Company investigation, which information came from a confidential informant who advised that "BUGS" SIEGEL and BUGSY MEYERS (MEYER WANNY) got their big start in the early 1920's. They were hired [redacted] as convoy guards for alcohol trucks running from New York to Chicago. Informant was of the opinion that both SIEGEL and MEYERS were truly hardened criminals and individuals believed to be smart and wise in the underworld vernacular and who were looked on by both police and underworld characters as ruthless killers. b7c

In 1933 shortly after WAIKY GORDON was sent away on an income tax violation in the Southern District of New York, a conference was held in Hot Springs, Arkansas attended by [redacted] LONGY SWILLMAN, LUCIANO, [redacted] as well as twenty other racketeers. The purpose of this meeting was to settle the differences which had arisen between the WAIKY GORDON mob and the combination of the BUGS SIEGEL, BUGSY MEYERS, CHARLIE LUCIANO and [redacted] mobs. Shortly after this conference an open gang war broke out and as a result five of GORDON's henchmen were rubbed out, two in New Jersey, two in the Bronx and one in Manhattan. There is no indication, however, in this particular report as to the identity of the individuals who were killed or as to who perpetrated these murders. b7c

During the investigation of the [redacted] case it was reported that when [redacted] came to New York City from Hollywood in 1939 he was reported to be a close friend of [redacted] and had introduced BENJAMIN SIEGEL and MEYER IANSKY [redacted] at a time when SIEGEL and IANSKY set up racketeering operations in California. b7c

In the Furdress investigation when [redacted] was interviewed by Bureau Agents in Chicago on October 5, 1934, she stated she met BUGS SIEGEL in New York City during her various visits to New York with [redacted]. She knew him under the name of "BUGS" and observed that he was continually in the company of [redacted]. She did not, however, know the nature of SIEGEL's business but volunteered he was bound to be in some racket if he was friendly [redacted]. b7c

The New York references in connection with the Kansas City massacre indicate that on or about August 5, 1933 one [redacted] and a B. SIEGEL registered at the New Blarney Hotel, Atlantic City, New Jersey. [redacted] and it was believed B. SIEGEL might have been identical with BENJAMIN (BUGS) SIEGEL. There was no indication that the above has been verified. b7c

In a letter to the Director dated December 2, 1938 in the Furdress case, it was noted that [redacted] b7c

NY 62-8883

French Building, New York City, was a private accountant for MEYER LANSKY, BENJAMIN SIEGEL and JOSEPH BONZIE.

It was also noted that under date of August 30, 1939 Inspector M. E. Burnea transmitted to all field offices of the Bureau a lengthy report containing individual summaries on outstanding individuals in the Furdress case as well as other known criminals in the United States. It is noted that in this report there appears a seven page summary concerning the background, associates, etc. of SIEGEL as reflected by the investigation conducted in the Furdress case, as well as a review of other information in the New York office. The above mentioned summary contains all of the pertinent information appearing in the files of the New York office. Since this investigation as well as the investigation of SIEGEL since 1934 was carried on principally by the Los Angeles Field office, no effort is being made at this time to set out the information appearing in the files of the New York office.

Re: MEYER LANSKY

Reference report also requests that pertinent information developed in New York City concerning MEYER LANSKY be furnished to the Los Angeles Field office. In view of LANSKY's recent trip to Los Angeles and the fact that he is considered a major subject by the New York Field office, all information obtained concerning LANSKY is being reported in the Cappa investigation and copies of these reports are being designated for the Los Angeles Field office. In the report of Special Agent [redacted] dated August 30, 1946 at New York, a summary of LANSKY's background as well as his present activities has been set forth.

ENCLOSURES - CHICAGO

4 photographs of [redacted]

ENCLOSURES - LOS ANGELES

4 photographs of [redacted]

- P E N D I N G -

NY 62-8883

UNDEVELOPED LEADS

NEW YORK FIELD DIVISION

At New York City: - Will furnish additional information concerning the present activities of [REDACTED] b7c

Copies of this report are being designated for the Chicago and Salt Lake City Field offices for information in view of the fact that these offices may have some occasion to conduct some investigation concerning [REDACTED] in the future either in instant case or in the Capga investigation. b7c

CONFIDENTIAL

F.B.I. TELETYPE

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
EXCEPT WHERE SHOWN
OTHERWISE

CLASSIFIED
UNCLASSIFY ON: 11/27/76

- Mr. Tolson
- Mr. E. A. Tamm
- Mr. Clegg
- Mr. Coffey
- Mr. Glavin
- Mr. Ladd
- Mr. Nichols
- Mr. Rosen
- Mr. Tracy
- Mr. Carson
- Mr. Egan
- Mr. Hendon
- Mr. Pennington
- Mr. Quinn Tamm
- Mr. Nease
- Mr. Gandy

COMM WASH 62 AND LOS ANGELES ST FROM SFRAN
DIRECTOR AND SAC URGENT

11:22 AM

BENJAMIN BUGS SIEGEL, INFORMATION CONCERNING CRIME SURVEY. MICRO-
PHONE SURVEILLANCE OF SUBJECT, ROOM 1134, ST. FRANCIS HOTEL, SAN
FRANCISCO, INSTALLED 6:00 PM.

KIMBALL

RECEIVED

2:36 PM EST

RECORD

MD

EX-29

62-21517-1546

29

67c

61

~~CONFIDENTIAL~~

F.B.I. TELETYPE

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
EXCEPT WHERE SHOWN
OTHERWISE

CLASSIFIED BY: SP-9 *gms/bs*
DECLASSIFY ON: 1/30/93 OADR

WASH FROM SFRAM 52

DIRECTOR URGENT

BENJAMIN QUOTE BLUGS UNQUOTE SIEGEL INFORMATION CONCERNING
MISCELLANEOUS CRIME SURVEY.
6:00 PM, YESTERDAY.

KINBALL

RECEIVED

RECORDED
66-29

4:58 PM EST b1 MG

- Mr. Tolson
- Mr. E. A. Tamm
- Mr. Clegg
- Mr. Coffey
- Mr. Glavin
- Mr. Ladd
- Mr. Nichols
- Mr. Rosen
- Mr. Tracy
- Mr. Carson
- Mr. Egan
- Mr. Hendon
- Mr. Pennington
- Mr. Quinn Tamm
- Mr. Nease

1:40 PM DD

WASH TELETYPE UNIT

66-29

DISCONTINUED

RECORDED
66-29

4:58 PM EST b1 MG

~~CONFIDENTIAL~~

F.B.I. TELETYPE

Alvin
Coffey
Nichols
Wick
Tracy
Belmont
Clegg
Glavin
Harbo
Ladd
Nichols
Rosen
Tracy
Laughlin
Mohr
Tele. Room
Holloman
Nease

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED

DATE FROM [REDACTED] TO [REDACTED]
DIRECTOR [REDACTED] ASST. DIRECTOR ROSEN [REDACTED] AGENT [REDACTED]

BENJAMIN QUOTE BORN QUOTE SIEGEL QUOTE WATSON QUOTE CRIME
SURVEY [REDACTED] C.P.A. AT [REDACTED] WHO
ADVISED THAT ON [REDACTED] HE RECEIVED A TELEPHONE CALL
FROM SIEGEL REQUESTING THAT HE MEET HIM SOME DISTANCE FROM THE C.P.A.
OFFICE IN L.A. [REDACTED] DID MEET SIEGEL AND [REDACTED] AT WHICH
TIME SIEGEL TOLD [REDACTED] THAT HE KNEW THE FBI WAS INVESTIGATING THE
FLAMINGO HOTEL AND THAT HE FEELS HE IS BEING PERSECUTED BY THE GOV-
ERNMENT. ALSO [REDACTED] HIS ASSOCIATE, HAS HIS ENTIRE FINAN-
CIAL RESOURCES TIED UP INTO THIS PROJECT AND THAT SIEGEL INTENDS
SUBMITTING PETITIONS FROM APPROXIMATELY THREE HUNDRED SERVICEMEN,
SOME OF WHOM ARE EMPLOYED ON AS LABORERS ON THE CONSTRUCTION AND SOME
OF WHOM WILL BE EMPLOYED ON THE HOTEL STAFF WHEN ITS IS COMPLETED,
ASKING THAT THE GOVERNMENT PERMIT COMPLETION SO THAT THEIR JOBS CAN
CONTINUE AND WILL BE ASSURED. SIEGEL INDICATED [REDACTED] THAT SENATOR
PAT MCCARRAN OF NEVADA EITHER HAS SEEN OR WILL SEE
C.P.A. COMMISSIONER IN SAN FRANCISCO, AND MAKE A STRONG PLEA THAT ON
BEHALF OF THE STATE OF NEVADA THE FLAMINGO BE PERMITTED TO BE FINISHED
REQUESTED OF SIEGEL DETAILED PLANS OF FLAMINGO HOTEL SHOWING
STAGES OF CONSTRUCTION ON [REDACTED] SIEGEL SAID HE WOULD
PROVIDE THESE. HE SAW [REDACTED] AGAIN [REDACTED] ON THE STREET
NEAR C.P.A. OFFICE IN L.A. BUT DID NOT JUDGE THE PLANS. HE THEN
TELEPHONED [REDACTED] HOME [REDACTED] AND TOLD HIM
HE HAD THE PLANS REQUESTED [REDACTED] BUT WAS MAKING THEM TO SAN FRAN-
CISCO FOR THE HEARING [REDACTED]

RECEIVED [REDACTED] 12
[REDACTED] 1980
[REDACTED] 67C
~~CONFIDENTIAL~~



United States Department of Justice
Federal Bureau of Investigation



IN REPLY, PLEASE REFER TO
FILE NO. _____

Los Angeles, California
September 4, 1946

~~CONFIDENTIAL~~

Director, FBI

Re: TECHNICAL SURVEILLANCE
GEORGE RAFT
1218 Coldwater Canyon
Los Angeles, California
Telephone Crestview 6-3711

Dear Sir:

Reference: Your teletypes of July 13 and August 27, 1946; ours of August 27, 1946.

This surveillance has not been installed on GEORGE RAFT's home due to the fact that

[REDACTED]

It is believed that it would seriously endanger this office's relationship [REDACTED] regarding a [REDACTED] TOP DESK b7D
technical surveillances conducted in Los Angeles if this matter were pursued further. It is therefore recommended at this time that no technical surveillance be undertaken on the GEORGE RAFT residence.

DECLASSIFIED BY SP-THREE/PS
ON 10/1/95

Very truly yours,

R. B. Hood 62-11511-157
R. B. HOOD
SAC

RECORDED
&
INDEXED

66-119

b7c

G

[REDACTED]

Mr. Rosen

b7c

October 4, 1946

PERSONAL ATTENTION

Mr. E. B. Hood
Special Agent in Charge
Federal Bureau of Investigation
900 Security Building
Los Angeles 13, California

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 10/18/95 BY SP-7 mms/126

Dear Mr. Hood:

Reference is made to your letter of September 4, 1946 concerning the difficulties which will be encountered in the proposed installation of a technical surveillance on George Hart's home.

You are, of course, thoroughly familiar with the value of this proposed technical installation and the Bureau therefore requests that you personally consider all of the circumstances in the matter and submit to the Bureau a definite recommendation regarding the installation at an early date.

Sincerely yours,

John Edgar Hoover
Director

RECEIVED DIRECTOR
U.S. DEPT. OF JUSTICE
OCT 4 3 16 PM '46

RECEIVED
U.S. DEPT. OF JUSTICE
OCT 4 7 58 AM '46

RECEIVED
U.S. DEPT. OF JUSTICE
OCT 4 3 03 PM '46
FBI

RECORDED

62-81518 - 157

b7c

Tolson
E. A. Tamm
Clegg
Glavin
Ladd
Nichols
Rosen
Tracy
Harbo
Belmont
Mohr
Winterrowd
Tele. Room
Holloman
Nease
Gandy

52 OCT 18 1946

WASHINGTON FROM SAN FRANCISCO TO DIRECTOR AND SAC LOS ANGELES

BENJAMIN EDGAR SIEGEL, DR. MISC. INFO. CONCERNING CRIME SURVEY

FOLLOWING ADDITIONAL INFORMATION WAS FURNISHED BY [REDACTED]

[REDACTED] HERE, THE COMMISSIONER HAS INDICATED THAT HE WILL REACH A DECISION ON THE SIEGEL CASE AT THE CONCLUSION OF THE HEARING THIS WEEK. [REDACTED] FELT THE COMMISSIONER MAY HOLD FOR

SUBJECT AND ASSOCIATES SINCE HE HAS ALLOWED IN EVIDENCE SO MUCH EXTRANEOUS MATERIAL SUCH AS THE LARGE SUM OF MONEY RESPONDENTS HAVE EXPENDED SINCE [REDACTED] "OKAY", THAT THE ISSUE HAS BEEN CON-

FUSED IN THE COMMISSIONERS MIND. [REDACTED] ADVISED THAT HE KNEW OF NO [REDACTED] PRESSURE HAVING BEEN BROUGHT AT ANY TIME IN INSTANT CASE ON CPA OFFICIALS. THOUGH HE UNDERSTOOD THAT SENATOR MC

CARRAN OF NEVADA WAS IN SAN FRANCISCO DURING FIRST HEARING AND WANTED TO COME TO THE HEARING. [REDACTED] REFUSED TO ALLOW HIS DOING SO. [REDACTED] ALSO NOTED FROM LOCAL NEWSPAPER ACCOUNTS

THAT MC CARRAN WAS IN SAN FRANCISCO LAST WEEK DURING HEARING TO GIVE A SPEECH BEFORE A CONFERENCE OF FEDERAL CIRCUIT AND DISTRICT JUDGES FOR THIS AREA. [REDACTED] STATED HOWEVER THAT MC CARRAN

HAD APPARENTLY NOT CONTACTED THE COMMISSIONER.

LOS ANGELES ADVISED

56 SEP 18 1946

Federal Bureau of Investigation
United States Department of Justice

Los Angeles 15, California
August 29, 1946

Attention: MRBO

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 11/16/86 BY SP-7 mac/pe

Dear Sir:

Re: BENJAMIN "BUGS" SIEGEL, with aliases
MISCELLANEOUS; INFORMATION CONCERNING -
CRIME SURVEY

We are transmitting herewith Memorandum prepared by
Special Agent [redacted] who has received the
Bureau Sound Training and who was in charge of the installation
of technical surveillances at Las Vegas, Nevada, and also
transmitting herewith Memorandum of Special Agent [redacted]
who was the Agent monitoring the equipment at the time that a
feed-back developed [redacted]

With reference to [redacted] which
apparently is defective, pursuant to your instructions, the Salt
Lake City Field Division is sending this equipment to the
Bureau for tests and necessary repairs.

Very truly yours,

A. E. Ostholtehoff
A. E. OSTHOLTHOFF

Enclosures-2

AEO
62-2837
AMSD

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1284

Las Vegas, Nevada
August 23, 1946

PERSONAL AND CONFIDENTIAL

DECLASSIFIED BY *62-71000-1000*
ON *2/27/93*

MEMORANDUM FOR MR. OSTHOLTHOFF:

Re: BENJAMIN "BUGS" SIEGEL,
MISCELLANEOUS, INFORMATION
CONCERNING - CRIME SURVEY;
TECHNICAL SURVEILLANCES,
LAS VEGAS, NEVADA.

APPROPRIATE AGENCIES
AND FIELD OFFICES
ADVISED BY ROUTING
SLIP(S) *cc. DeLoach*
DATE *11/26/83* *glt*

[REDACTED] b7D

[REDACTED] b7D

[REDACTED] b7D

[REDACTED] b7D

[REDACTED] b7D

[REDACTED] b7D

62-21511-151

FEDERAL BUREAU OF INVESTIGATION U. S. DEPARTMENT OF JUSTICE	
AUG 27 1946	
LOS ANGELES, CALIF.	
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[REDACTED]

b7D

[REDACTED]

b7D

[REDACTED]

b7D

[REDACTED]

b7D

[REDACTED]

b7D

Special Agent [REDACTED] and the writer conducted exhaustive tests of the technical equipment at the plant [REDACTED]

b7C
b7E

[REDACTED] The examination revealed that [REDACTED] evidently has a defective input selector switch or short circuit inside the amplifier because when the input selector switch is turned to the "play back" position, the amplifier allows the reproduced recorded sound to feed back onto the Subject's telephone line as well as into the amplifier speaker and head phone jacks.

186

[REDACTED] b7D
As soon as a test of the technical equipment confirmed [REDACTED] b2
[REDACTED] that the feed back had occurred, all technical surveillances b7D
in Las Vegas were discontinued as of 10:00 p.m. August 22, 1946.

All technical equipment has been removed from the plant. [REDACTED] b7D
[REDACTED] b7E
[REDACTED]

The defective [REDACTED] has been sent to the b7E
Salt Lake City Field Division to await shipment to the Bureau as soon
as Bureau instructions have been received.

[REDACTED] b7C
Special Agent

186

August 25, 1946

Memorandum to A. E. Ostholthoff.

ALL INFORMATION CONTAINED
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DATE 10/14/85 BY SP-7 MMT/186

On August 22, 1946 I was on duty at the technical surveillance in

[REDACTED]

b7D
b7E

[REDACTED]

b2
b7D
b7E

[REDACTED]

b2
b7D
b7E

[REDACTED]

b7E

[REDACTED]

b2
b7D
b7E

The light stayed on a few minutes and then went off. The complete recording was not played back from beginning to end but was played as it was transcribed.

The above procedure has been followed in the past and no technical difficulty has been encountered with a possible feed back.

[REDACTED]
Special Agent

b2

62-81518-159

FEDERAL BUREAU OF INVESTIGATION U. S. DEPARTMENT OF JUSTICE	
AUG 27 1946	
LOS ANGELES, CALIF.	
ROUTED TO	FILE

1289

Office Memorandum • UNITED STATES GOVERNMENT

TO : MR. ROSEN

DATE: September 11, 1946

FROM :

SUBJECT: BENJAMIN "BUGS" SIEGEL, with aliases,
MISCELLANEOUS INFORMATION CONCERNING -
CRIME SURVEY

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 10/25/86 BY SP7 mac/hes

PURPOSE

To advise you of the receipt of statements of agents installing
and operating technical surveillance at Las Vegas, Nevada.

is being examined by the Technical
Laboratory.

BACKGROUND

EXPLANATION OF

Special Agent [redacted], who installed the technical
installation at the Las Vegas Club, Las Vegas, Nevada, upon receipt of this in-
formation [redacted] immediately removed all technicals in Las Vegas. Special
Agent [redacted] immediately conferred with [redacted]

Agent [redacted] inspected the technical equipment in use at the Bureau's
plant and advised that [redacted] evidently has a defective

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52 SEP 19 1946

Mr. Tolson _____
Mr. E. A. Tamm _____
Mr. Clegg _____
Mr. Coffey _____
Mr. Glavin _____
Mr. Ladd _____
Mr. Nichols _____
Mr. Rosen _____
Mr. Tracy _____
Mr. Carson _____
Mr. Egan _____
Mr. Gurnea _____
Mr. Hendon _____
Mr. Pennington _____
Mr. Quinn Tamm _____
Tele. Room _____
Mr. Nease _____
Miss Gandy _____

b7D
b7E

b7D

b7C
b7D
b7E

Memorandum to Mr. Rosen

input selector switch or short circuit inside the amplifier because when the input selector switch was turned on to the "play back" position the amplifier allowed the reproduced recorded sound to feed back on the telephone line.

STATEMENT OF SPECIAL AGENT [REDACTED]

Agent [REDACTED] who was on duty at the Bureau's plant of operation at [REDACTED] b7c b7E

ACTION TO BE TAKEN

The Technical Laboratory is presently conducting a test [REDACTED] b7E
[REDACTED] which was in use at Las Vegas, Nevada, which permitted certain subjects to hear a play-back of their own conversation.

F.B.I. TELETYPE

REF ELYED

24 13-APR-68

IX =

~~CONFIDENTIAL~~

Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. Rosen *R*

DATE: 9-12-46

FROM : [REDACTED] *b7c*

SUBJECT: BENJAMIN "BUGS" SIEGEL, was,
MISCELLANEOUS INFORMATION CONCERNING
CRIME SURVEY

Call: 10:50 PM

Mr. Tolson
Mr. E. A. Tamm
Mr. Clegg
Mr. Coffey
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Carson
Mr. Egan
Mr. Gurnea
Mr. Hendon
Mr. Pennington
Mr. Quinn Tamm
Tele. Room
Mr. Nease
Miss Gandy

Pursuant to your instructions, I called Ostholtzoff at Los Angeles relative to the transpirations at San Francisco this afternoon, September 12, when the Flamingo Hotel matter was to go before the CPA authorities for a hearing. He advised that he was awaiting word from San Francisco on this and had issued specific instructions to San Francisco today to immediately notify him and the Bureau of all developments. The Bureau's vital interest in this matter was fully recognized by Ostholtzoff, and he stated that he would talk with San Francisco by telephone if he had not heard from them by 9 PM, Pacific Coast Time, pointing out he was waiting until that time since there was some indication that the hearings might run over into an evening session. *b7c*

Regardless, Ostholtzoff stated that he will insist that San Francisco dispatch a teletype furnishing all details to the Bureau tonight, September 12, so that the Bureau will have the full particulars before tomorrow morning, September 13. He stated that he did know that Siegel, [REDACTED] *b7c* and two other men had arrived at San Francisco by airplane this morning, September 12, and had registered at the St. Francis Hotel.

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 12/1/85 BY SP-9 mac/bs

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62-71518-162
F B I
7 SEP 17 1946

52 SEP 19 1946

**United States Department of Justice
Federal Bureau of Investigation**



IN REPLY, PLEASE REFER TO
FILE NO. 62-2837

**JUSTIFICATION FOR CONTINUATION OF TECHNICAL
OR MICROPHONE SURVEILLANCE**

EAG

RE: Title BENJAMIN "BUGS" SIEGEL, WAS.

Character of Case MISC., INFO. CONCERNING

Field Office LOS ANGELES

~~X~~ CONF. INFO. Symbol Number [REDACTED] b2
b7D

Type of Surveillance: (Technical or
Microphone)

1. Subject's name and address:

BENJAMIN SIEGEL

721 N. Doheny Dr., Beverly Hills, California

Telephone CRestview 6-8338 [REDACTED] b7C

2. Location of technical operation:

Central Plant

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 10/25/85 BY SP-7 MJA/JS

3. Dates of initial authorization and installation:

July 15, 1946

July 15, 1946

4. Previous and other installations on the same subject (with dates and places):

None

5. Specific valuable information obtained since previous report with indication of specific value of each item and what use was made of each item of information involved:

Information as to Siegel's whereabouts, activities and contacts, which has been of great assistance in furthering the investigation of Siegel and his associates.

56 OCT 7 - 1946

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37 SEP 17 1946